

MONTANA LEGISLATIVE HISTORY

Chapter 240 19 83

Bill H _____ S 398

Original bill & history ☒ C

H. Committee on State Admin

Hearing Date(s) 3-7 ☒ C

3-9 ☒ C

_____ C

_____ C

Date Out _____ C

S. Committee on Business & Ind.

Hearing Date(s) 2-17 ☒ C

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_____ C

Did this bill originate in an interim committee? ☐ Yes ☐ No

Committee _____

Report _____

395 -- E. SMITH, MAZUREK -- PROVIDING SPECIFIC AUTHORITY FOR THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES AND THE DEPARTMENT OF INSTITUTIONS TO CERTIFY PROFESSIONAL PERSONS SERVING DEVELOPMENTALLY DISABLED PERSONS

INTRODUCED: 02/10/83
REFERRED TO COMMITTEE ON PUBLIC HEALTH, WELFARE, & SAFETY: 02/10/83
HEARING: 2/14/83
REPORT: 02/15/83, DO NOT PASS
ON MOTION, 2/15/83, THAT THE BILL BE RECONSIDERED. MOTION PASSED.
REFERRED TO COMMITTEE ON PUBLIC HEALTH, WELFARE, & SAFETY: 02/15/83
REPORT: 2/16/83, DO PASS
2ND READING: 02/18/83 AYES: 48; NAYS: 0
3RD READING: 02/21/83 AYES: 49; NAYS: 1

TRANSMITTED TO HOUSE: 02/21/83
REFERRED TO COMMITTEE ON HUMAN SERVICES: 02/28/83
HEARING: 3/14/83
REPORT: 03/15/83, BE CONCURRED IN
REREFERRED TO COMMITTEE ON HUMAN SERVICES: 03/21/83
REPORT: 03/23/83, BE CONCURRED IN, AS AMENDED
2ND READING: 03/28/83, BE CONCURRED IN AYES: 80; NAYS: 11
3RD READING: 03/28/83, BE CONCURRED IN AYES: 84; NAYS: 10

RETURNED TO SENATE WITH AMENDMENTS: 3/29/83
2ND READING: 04/06/83 AYES: 50; NAYS: 0
3RD READING: 04/07/83 AYES: 50; NAYS: 0

TRANSMITTED TO GOVERNOR: 04/14/83
SIGNED: 4/19/83, CHAPTER 569

396 -- MARBUT, TOWE, GALT, ET AL. -- TO FURTHER PROVIDE FOR CONSERVATION EASEMENTS FOR RIPARIAN HABITAT

INTRODUCED: 02/11/83
REFERRED TO COMMITTEE ON NATURAL RESOURCES: 02/11/83
HEARING: 2/16/83
ON MOTION, 2/18/83, THAT THE BILL BE TAKEN FROM THE COMMITTEE ON NATURAL RESOURCES AND BE PRINTED AND PLACED ON 2ND READING. MOTION FAILED BY THE FOLLOWING
VOTE: AYES: 15; NAYS: 26.
DIED IN COMMITTEE

397 -- MARBUT -- PROVIDING THAT FOR COUNTY RURAL IMPROVEMENT DISTRICTS AND MUNICIPAL SPECIAL IMPROVEMENT DISTRICTS CREATED AFTER OCTOBER 1, 1983, A LIEN IN FAVOR OF THE DISTRICT DOES NOT ATTACH UNLESS DISTRICT ASSESSMENTS ARE DELINQUENT

INTRODUCED: 02/11/83
REFERRED TO COMMITTEE ON LOCAL GOVERNMENT: 02/11/83
HEARING: 2/15/83
REPORT: 02/17/83, DO NOT PASS. REPORT ADOPTED.
BILL KILLED.

398 -- BOYLAN, FABREGA, QUILICI, ET AL. -- TRANSFERRING THE FUNCTION OF LICENSING PUBLIC CONTRACTORS FROM THE DEPARTMENT OF REVENUE TO THE DEPARTMENT OF COMMERCE

INTRODUCED: 02/11/83
REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY: 02/11/83
HEARING: 2/17/83

REPORT: 02/17/83, DO PASS, AS AMENDED
ON MOTION, 2/19/83, THAT THE BILL BE PASSED FOR THE DAY. MOTION PASSED.
2ND READING: 02/21/83 AYES: 49; NAYS: 1
3RD READING: 02/23/83 AYES: 48; NAYS: 0

TRANSMITTED TO HOUSE: 02/23/83
REFERRED TO COMMITTEE ON STATE ADMINISTRATION: 02/28/83
HEARING: 3/7/83
REPORT: 03/10/83, BE CONCURRED IN, AS AMENDED
2ND READING: 03/14/83, BE CONCURRED IN AYES: 93; NAYS: 5
3RD READING: 03/15/83, BE CONCURRED IN AYES: 92; NAYS: 5

RETURNED TO SENATE WITH AMENDMENTS: 3/15/83
2ND READING: 03/17/83 AYES: 48; NAYS: 0
3RD READING: 3/18/83 AYES: 50; NAYS: 0

TRANSMITTED TO GOVERNOR: 03/24/83
SIGNED: 03/28/83, CHAPTER 240

SB 399 -- FULLER -- TO ADJUST PROPERTY TAX MILL LEVIES TO COMPENSATE FOR INCREASES OR DECREASES IN TAXABLE VALUE OF PROPERTY DUE TO LEGISLATIVE ACTION; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

INTRODUCED: 02/11/83
REFERRED TO COMMITTEE ON TAXATION: 02/11/83
HEARING: 2/17/83

SB 400 -- BOB BROWN -- TO ESTABLISH A UNIFORM TRANSBOUNDARY POLLUTION RECIPROCAL ACCESS ACT.
BY REQUEST OF: THE GOVERNOR'S OFFICE

INTRODUCED: 02/11/83
REFERRED TO COMMITTEE ON NATURAL RESOURCES: 02/11/83
HEARING: 2/16/83
REPORT: 02/18/83, DO PASS
2ND READING: 02/21/83 AYES: 49; NAYS: 1
3RD READING: 02/23/83 AYES: 47; NAYS: 2

TRANSMITTED TO HOUSE: 02/23/83
REFERRED TO COMMITTEE ON NATURAL RESOURCES: 02/28/83
HEARING: 3/9/83
REPORT: 03/10/83, BE CONCURRED IN
2ND READING: 03/11/83, BE CONCURRED IN AYES: 90; NAYS: 7
3RD READING: 03/15/83, BE CONCURRED IN AYES: 94; NAYS: 3

RETURNED TO SENATE: 3/15/83

TRANSMITTED TO GOVERNOR: 03/21/83
SIGNED: 3/23/83, CHAPTER 203

SB 401 -- BOYLAN, HAGER, RAMIREZ, ET AL. -- PROVIDING FOR THE CENTRAL AND LOCAL RECORDATION OF WATER RIGHT TRANSFERS; ... AND PROVIDING AN IMMEDIATE EFFECTIVE DATE

INTRODUCED: 02/11/83
REFERRED TO COMMITTEE ON AGRICULTURE, LIVESTOCK, & IRRIGATION: 02/11/83
HEARING: 2/18/83
REPORT: 02/19/83, DO PASS, AS AMENDED

1 *Amended* BILL NO. *398*
 2 INTRODUCED BY *Rep. George Imler*
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING THE
 5 FUNCTION OF LICENSING PUBLIC CONTRACTORS FROM THE DEPARTMENT
 6 OF REVENUE TO THE DEPARTMENT OF COMMERCE; CHANGING THE
 7 LICENSE FEE FOR EACH CLASS OF LICENSE; CHANGING THE CONTRACT
 8 VALUE LIMIT FOR A CLASS B LICENSE REQUIRING A PUBLIC
 9 CONTRACTOR TO BE LICENSED IN A FIELD OF CONTRACTING;
 10 INCLUDING FAILURE TO PERFORM QUALITY WORK AS GROUNDS FOR
 11 LICENSE SUSPENSION; AMENDING SECTIONS 15-50-101 THROUGH
 12 15-50-105, 15-50-204 THROUGH 15-50-206, 15-50-211 THROUGH
 13 15-50-213, AND 15-50-302, MCA."

14
 15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16 Section 1. Section 15-50-101, MCA, is amended to read:
 17 "15-50-101. Definitions. ~~(1)~~ The following words,
 18 terms, and phrases in this chapter are, for the purposes
 19 hereof, defined as follows:

20 ~~(1) "Department", unless the context clearly indicates~~
 21 ~~otherwise, means the department of commerce as provided in~~
 22 ~~2-15-1801.~~

23 ~~(2) "Field of contracting" includes but is not limited~~
 24 ~~to the distinct fields of general contracting, mechanical~~
 25 ~~contracting, electrical contracting, and plumbing, heating,~~

1 ~~and air-conditioning contracting.~~

2 ~~(a)(1)~~ A "public contractor", within the meaning of
 3 this chapter, ~~shall include~~ includes any person who submits
 4 a proposal to or enters into a contract for performing ~~any~~
 5 public construction work in the state with the federal
 6 government, or state of Montana, or with any board,
 7 commission, or department thereof, or with any board of
 8 county commissioners or with any city or town council, or
 9 with any agency of any thereof ~~of them~~, or with any other
 10 public board, body, commission, or agency authorized to let
 11 or award contracts for any public work when the contract
 12 cost, value, or price thereof exceeds the sum of \$1,000.

13 ~~(b)(1)~~ The term "public contractor" includes
 14 subcontractors undertaking to perform the work ~~within their~~
 15 ~~field of contracting and within the limits of their class of~~
 16 ~~license~~ covered by the original contract or any part
 17 thereof, the contract cost, value, or price of which exceeds
 18 the sum of \$1,000.

19 ~~(c)(1)~~ "Gross receipts" means all receipts from
 20 sources within the state, whether in the form of money,
 21 credits, or other valuable consideration, received from,
 22 engaging in, or conducting a business, without deduction on
 23 account of the cost of the property sold, the cost of the
 24 materials used, labor or service cost, interest paid, taxes,
 25 losses, or any other expense whatsoever. However, gross

1 receipts shall not include cash discounts allowed and taken
2 on sales and sales refunds, either in cash or by credit,
3 uncollectable accounts written off from time to time, or
4 payments received in final liquidation of accounts included
5 in the gross receipts of any previous return made by the
6 person.

7 ~~(2) The department of revenue is hereby constituted~~
8 ~~the "registrar" for the purpose of this chapter."~~

9 Section 2. Section 15-50-102, MCA, is amended to read:

10 "15-50-102. Administrative powers of department. The
11 department of revenue is empowered to employ such assistance
12 and to procure such records, supplies, and equipment as may
13 be necessary to carry out the provisions of this chapter."

14 Section 3. Section 15-50-103, MCA, is amended to read:

15 "15-50-103. Rules. The department of--revenue shall
16 establish rules necessary for the effective implementation
17 of the provisions of this chapter."

18 Section 4. Section 15-50-104, MCA, is amended to read:

19 "15-50-104. Records. The registrar department shall
20 maintain in said registrar's office at Helena, Montana, open
21 to public inspection during office hours, a complete indexed
22 record of all applications and all licenses issued and all
23 certificates of renewal and of cancellations or suspensions
24 thereof and shall furnish a certified copy of any license
25 issued, of renewal certificates, or of the cancellations or

1 suspensions thereof, upon receipt of the sum of \$1, and such
2 certified copy shall be received in all courts and elsewhere
3 as prima facie evidence of the facts stated therein."

4 Section 5. Section 15-50-105, MCA, is amended to read:

5 "15-50-105. Disposal of fees. All moneys collected
6 hereunder shall be deposited by the registrar department
7 with the state treasurer, who shall credit them to the
8 general fund of the state."

9 Section 6. Section 15-50-204, MCA, is amended to read:

10 "15-50-204. Classes of licenses. (1) There within each
11 field of contracting there shall be three classes of
12 licenses issued under the provisions of this chapter, and
13 such classes of licenses are hereby designated as Classes A,
14 B, and C. Any applicant for a license under the provisions
15 hereof shall specify in his application the field and the
16 class of license applied for.

17 (2) In any field of contracting:

18 ~~(2)(a)~~ The the holder of a Class A license shall be
19 entitled to engage in the public contracting business within
20 the state without any limitation as to the value of a single
21 public contract project; subject, however, to such
22 prequalification requirements as may be imposed by the
23 public body or bodies referred to in 15-50-101~~(1)(a)~~(1). At
24 the time of making the application for such license, the
25 applicant shall pay to the registrar department a fee in the

1 sum of \$200 ~~\$250~~.

2 (3)(b) The ~~the~~ holder of a Class B license shall be
3 entitled to engage in the public contracting business within
4 the state but shall not be entitled to engage in the
5 construction of any single public contract project of a
6 value in excess of ~~\$50,000~~ ~~\$100,000~~ and shall pay to the
7 registrar ~~department~~ as a license fee the sum of ~~\$100~~ ~~\$150~~
8 for such Class B license at the time of making application
9 therefor.

10 (4)(c) The ~~the~~ holder of a Class C license shall be
11 entitled to engage in the public contracting business within
12 the state but shall not be entitled to engage in the
13 construction of any single public contract project of a
14 value in excess of \$25,000 and shall pay to the registrar
15 ~~department~~ as a license fee the sum of ~~\$10~~ ~~\$100~~ at the time
16 of making application therefor."

17 Section 7. Section 15-50-205, MCA, is amended to read:

18 "15-50-205. Additional license tax imposed. (1) In
19 addition to the fees enumerated above, each public
20 contractor shall pay to the ~~state department of revenue~~ an
21 additional license fee in a sum equal to 1% of the gross
22 receipts from public contracts during the income year for
23 which the license is issued ~~provided, however, that the~~
24 ~~additional license fee hereby imposed shall not be paid upon~~
25 ~~or collectable from the gross receipts from any public~~

1 contract ~~which has been let to bid upon which bids have~~
2 ~~been awarded or which has been executed by a public body~~
3 ~~and a public contractor on February 28, 1967.~~

4 (2) The additional license fee shall be computed upon
5 the basis of the entire contract for each separate contract
6 let by any of the public bodies as specified in
7 15-50-101~~(1)(a)(3)~~ ~~(3)~~."

8 Section 8. Section 15-50-206, MCA, is amended to read:

9 "15-50-206. Withholding license fee from payments --
10 refunds. (1) The prime contractor shall withhold the
11 additional 1% license fee from payments to his
12 subcontractors and inform the department of revenue on
13 prescribed forms of the amount of the additional 1% license
14 fee in his account to be allocated and transferred to the
15 subcontractor. The notification to transfer portions of the
16 additional 1% license fee must be filed within 30 days after
17 each payment is made to subcontractors. If any prime
18 contractor fails to file the required allocation and
19 transfer report at the time required by or under the
20 provisions of this chapter, a penalty computed at the rate
21 of 10% of the additional 1% license fee withheld from
22 subcontractors shall be due from the prime contractor.

23 (2) The state, county, city, or any agency or
24 department thereof, as described in 15-50-101~~(1)(a)(3)~~ ~~(3)~~ for
25 whom the contractor is performing public work shall

1 withhold, in addition to other amounts withheld as provided
 2 by law, 1% of all payments due the contractor and shall
 3 transmit such moneys to the department of revenue. In the
 4 event that the 1% of gross receipts is not withheld as
 5 provided, the contractor shall make payment of these amounts
 6 to the department within 30 days after the date on which the
 7 contractor receives each increment of payment for work
 8 performed by the contractor.

9 (3) Any overpayment of the 1% of gross receipts
 10 withheld or paid by any contractor hereunder shall be
 11 refunded by the department of revenue at the end of the
 12 income year upon written application therefor."

13 Section 9. Section 15-50-211, MCA, is amended to read:

14 "15-50-211. Application for license -- contents. To
 15 obtain a license under this chapter, the applicant shall
 16 submit on such forms as the registrar department shall
 17 prescribe an application, under oath, which shall contain a
 18 statement of the applicant's experience and qualifications
 19 as a contractor; the value and character of contract work
 20 completed and for whom performed during 5 years prior to the
 21 filing of such application; and a complete financial
 22 statement on such forms and disclosing such information as
 23 shall be required by the registrar department. Such
 24 application shall also contain such other information as may
 25 be requested by the registrar department under such rules as

1 may be adopted by said-registrar ~~the department~~ and which
 2 will assist said-registrar ~~the department~~ in determining the
 3 applicant's fitness to act in the capacity of a public
 4 contractor as defined in this chapter. Such application
 5 shall also contain a statement that the applicant desires
 6 the issuance of a license under the terms of this chapter
 7 and shall specify the field of contracting and the class of
 8 license applied for."

9 Section 10. Section 15-50-212, MCA, is amended to
 10 read:

11 "15-50-212. Investigation of applicant -- issuance of
 12 license. It shall be the duty of the registrar ~~department~~ to
 13 investigate and determine the applicant's fitness to act in
 14 the capacity of public contractor as defined in this
 15 chapter, and no license shall be issued to such applicant
 16 until the expiration of 10 days from and after the filing of
 17 such application. The license so issued in pursuance of the
 18 first application shall entitle the licensee to act as a
 19 public contractor within this state, subject to the
 20 limitations of such license, until the expiration of the
 21 then-current calendar year."

22 Section 11. Section 15-50-213, MCA, is amended to
 23 read:

24 "15-50-213. Renewal -- waiting period after
 25 cancellation. (1) Any license issued under the provisions of

1 this chapter may be renewed for each successive calendar
 2 year by obtaining from the ~~registrar department~~ a
 3 certificate of renewal thereof. For the purpose of obtaining
 4 such certificate of renewal, the licensee shall file with
 5 the ~~registrar department~~ an application therefor, stating
 6 the ~~field of contracting and~~ class of license applied for
 7 and containing ~~at least~~ the same information as that
 8 required in the application for the original license. The
 9 application for such certificate of renewal must be made to
 10 the ~~registrar department~~ on or before March 1 of each
 11 successive calendar year, and such renewal certificate shall
 12 be good for the then-current calendar year.

13 (2) At the time of filing the application for a
 14 certificate of renewal, the applicant shall pay to the
 15 ~~registrar department~~ a license fee equal to 50% of the
 16 license fee for the original license, provided that if any
 17 applicant for a certificate of renewal shall apply for a
 18 renewal under a different ~~field or~~ class from the license
 19 theretofore issued to him, such new license shall be issued
 20 only upon the same showing and under the same terms and
 21 conditions and upon payment of the same fee required for the
 22 issuance of an original license.

23 (3) All certificates of renewal wherein the applicant
 24 does not apply for a change in the ~~field or~~ class of license
 25 shall be issued by the ~~registrar department~~ to the applicant

1 forthwith when the application is filed and the license
 2 renewal fee paid.

3 (4) After cancellation of a license, such licensee
 4 shall not be relicensed during the current calendar year in
 5 which the offense was committed."

6 Section 12. Section 15-50-302, MCA, is amended to
 7 read:

8 "15-50-302. Complaints against licensee -- grounds --
 9 investigation -- hearing -- suspension of license --
 10 appeals. (1) Any person or other organization may file a
 11 duly verified complaint with the ~~registrar department~~
 12 charging that the licensee is guilty of one or more of the
 13 following acts or omissions:

14 (a) abandonment of any contract without legal excuse;

15 (b) diversion of funds or property received under
 16 express agreement for prosecution or completion of a
 17 specific contract under this chapter or for a specified
 18 purpose in the prosecution or completion of any contract and
 19 their application or use for any other contract, obligation,
 20 or purpose with intent to defraud or deceive creditors or
 21 the owner;

22 (c) the doing of any willful fraudulent act by the
 23 licensee as a public contractor in consequence of which
 24 another is substantially injured;

25 (d) the making of any false statement in any

1 application for a license or renewal thereof;

2 (e) the failure to comply with the provisions of
3 18-1-112 requiring preference of products manufactured or
4 produced in this state by Montana industry and labor;

5 ~~(f) the failure to perform work that meets generally~~
6 ~~accepted standards of construction quality.~~

7 (2) Upon the filing of such complaint, the registrar
8 department shall investigate the charge and within 60 days
9 after the filing of such complaint shall render and file
10 ~~said registrar's~~ a decision, with ~~said--registrar's~~ the
11 reasons therefor. If the registrar's department's decision
12 be that the licensee has been guilty of any of such acts or
13 omissions, ~~said--registrar~~ the department shall suspend the
14 contractor's license. At any time within 20 days thereafter,
15 the complainant or the contractor may petition the registrar
16 department for a rehearing. In the order granting or denying
17 such rehearing, the registrar department shall set forth a
18 statement of the particular grounds and reasons for ~~said~~
19 ~~registrar's~~ the department's actions on such petition and
20 shall mail a copy of such order to the parties who have
21 appeared in support of or in opposition to the petition for
22 rehearing. If a rehearing be granted, the registrar
23 department shall set the matter for further hearing on due
24 notice to the parties and, within 30 days after submission
25 of the matter, serve ~~said--registrar's~~ the department's

1 decision after rehearing in like manner as an original
2 decision.

3 (3) The filing of such petition for rehearing as to
4 the registrar's department's actions in suspending or
5 canceling such license shall suspend the operation of such
6 action and permit the licensee to continue to do business as
7 a public contractor pending final determination of the
8 controversy.

9 (4) Within 30 days after the decision on rehearing,
10 any party aggrieved by such decision of the registrar
11 department may appeal therefrom to the district court in and
12 for the county in which the licensee under this chapter
13 resides or does business as a public contractor by serving
14 upon the registrar department a notice of such appeal. The
15 matter shall thereupon be heard de novo by the district
16 court. An appeal may be taken from the decision of the
17 district court in the same manner as appeals in other civil
18 cases.

19 (5) In all cases where the licensee has filed his
20 notice of appeal from the decision of the registrar
21 department or from the decision of the district court, such
22 licensee shall be entitled to continue to do business as a
23 public contractor pending final decision of the
24 controversy."

-End-

STATE OF MONTANA

REQUEST NO. 380-83

FISCAL NOTE

Form BD-15

Since with a written request received February 12, 19 83, there is hereby submitted a Fiscal Note
State Bill 398

pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

and information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members
legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

State Bill 398 transfers the function of licensing public contractors from the
Department of Revenue to the Department of Commerce; changes the license fee for
each class of license; changes the contract value limit for a class B license requiring
public contractor to be licensed in a field of contracting; and includes failure
to perform quality work as grounds for license suspension.

SUMPTIONS:

Approximately 834 new public contractors' licenses and 1,244 renewals are
issued annually.

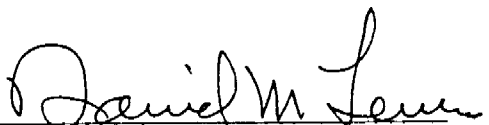
The costs of administering the public contractors' licensing programs in the
Department of Revenue include salaries and benefits for a general office clerk
(50%), a tax examining agent (10%), and division and department supervision
(\$2,000).

Under the proposed law, the Department of Commerce would incur new personnel
costs approximately equal to the amount now spent by the Department of Revenue
to administer the public contractors' licensing program.

Operating expenses associated with the public contractors' licensing program
would be saved by the Department of Revenue and spent in the Department of
Commerce. These expenses would neither increase nor decrease under the proposed
law.

FISCAL IMPACT:

	<u>FY84</u>	<u>FY85</u>
Revenue		
Public Contractors' License Fees		
Under Current Law	\$ 184,780	\$ 184,780
Under Proposed Law	276,900	276,900
Increased Revenue	<u>\$ 96,120</u>	<u>\$ 96,120</u>

Continued

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-17-83

<u>Expenditures</u>	<u>FY84</u>	<u>FY85</u>
Personal Services		
Under Current Law	\$ 11,323	\$ 11,323
Under Proposed Law	22,646	22,646
Estimated Increase	<u>\$ 11,323</u>	<u>\$ 11,323</u>
Operating Expenses		
Under Current Law	\$ 4,293	\$ 4,293
Under Proposed Law	4,293	4,293
Estimated Increase	<u>\$ -0-</u>	<u>\$ -0-</u>
Total Expenditures		
Under Current Law	\$ 15,616	\$ 15,616
Under Proposed Law	26,939	26,939
Estimated Increase	<u>\$ 11,323</u>	<u>\$ 11,323</u>
Net Effect		
Under Current Law	\$ 169,164	\$ 169,164
Under Proposed Law	249,961	249,961
Estimated Increase	<u>\$ 80,797</u>	<u>\$ 80,797</u>
General Fund		
Under Current Law	\$ 169,164	\$ 169,164
Under Proposed Law	249,961	249,961
Estimated Increase	<u>\$ 80,797</u>	<u>\$ 80,797</u>

COMMENT:

Total costs to operate the program under the Department of Commerce are based on Department of Revenue's experience. If this legislation was enacted, Commerce would have to be given appropriation authority in the general appropriations act to perform the necessary functions.

48th

LEGISLATIVE SESSION

COMMITTEE ON BUSINESS AND INDUSTRY

SENATE BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CON- CURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CON- CURRED IN DATE
SB 295	1-26-83	2-14-83	2-14-83			2-14-83			
SB 300	1-27-83	2-7-83	2-7-83	2-7-83					
SB 305	1-27-83	2-9-83 2-15-83	2-15-83			2-15-83			
SB 306	1-27-83	2-9-83 2-15-83	2-15-83		2-15-83				
SB 322	1-29-83	2-11-83	2-11-83	SENT TO LOCAL GOVERNMENT					
SB 323	1-31-83	2-14-83 2-18-83	2-18-83	TABLED					
SB 325	1-31-83	2-16-83	2-16-83			2-16-83			
SB 353	2-8-83	2-14-83	2-14-83	2-14-83					
SB 382	2-9-83	2-14-83 2-17-83	2-17-83			2-17-83			
SB 392	2-10-83	2-14-83 2-15-83	2-15-83			2-15-83			
SB 398	2-11-83	2-17-83	2-17-83			2-17-83			
SB 403	2-14-83	2-17-83	2-17-83			2-17-83			
SB 405	2-14-83		2-15-83	SENT TO STATE ADMINISTRATION					
SB 419	2-15-83	2-18-83 2-19-83	2-19-83	TABLED					
SB 420	2-15-83	2-18-83	2-18-83	2-18-83					
SB 423	2-15-83	2-18-83	2-18-83			2-18-83			

Use a separate sheet for Senate, House Bills, and Resolutions.

Department of Health who then sends it to the different counties. Set a flat fee or a sliding scale but don't leave it wide open to rulemaking.

Forrest Boles, Montana Chamber of Commerce, stated he has the same concerns as Mr. Durkee. He feels the fee should be set. He would like to see an equitable fee charged. They recommend a set amount.

QUESTIONS FROM THE COMMITTEE:

Senator Goodover asked reference was made to changing the state general fund to earmarked accounts. Would that include line 9 and line 15? Senator Norman stated yes. Mr. Sloulin stated all three should be worded the same and have uniformity.

In closing, Senator Norman stated the way this concept evolved was because of some of the comments that Mr. Durkee has made. For example should a "Ma and Pa" restaurant be charged the same amount as a large chain like Wendys? How do you establish a fee? Those that are relatively easy to inspect should pay much less? That is not his idea he thinks they should pay the same. They feel the fee should be set by rule.

The hearing was closed on Senate Bill 403.

CONSIDERATION OF SENATE BILL 398: An act transferring the function of licensing public contractors from the Department of Revenue to the Department of Commerce; changing the license fee for each class of license; changing the contract value limits for a class B license requiring a public contractor to be licensed in a field of contracting; including failure to perform quality work as grounds for license suspension.

Senator Paul Boylan stated he was the sponsor of this bill. The Department of Revenue has been issuing these licenses. There is some investment that goes with the licenses. This bill is a start in what they are trying to develop. There is a Resolution coming through for a study. Contractors, architects and the Department of Administration have set money aside to make this study.

PROPOSERS TO SENATE BILL 398: Jim Spring stated this bill is only a small part of the recommendations that he has had. This is the first attempt and felt it was a good recommendation. They are in charge of consumer protection. The Department of Administration awards many contracts. They do support this bill.

Vice Chairman Lee took over for Chairman Kolstad.

Sonny Hanson, Montana Technical Council, stated we support this bill. This bill does three things. It moves from the Department of Revenue to the Department of Commerce an existing licensing law. It adds on page 5 the classification of licenses AB&C, and a penalty for the failure to perform work properly. It is very difficult not to award to the low contractors. This bill will establish some criteria and put some force into it.

Ty Ingram, Ingram Clevenger Construction, stated they support this

piece of legislation.

There were no further proponents and no opponents.

QUESTIONS FROM THE COMMITTEE:

Senator Goodover asked is there any feelings between the Department of Commerce and the Department of Revenue regarding this. Senator Boylan stated the Department of Commerce and the Department of Revenue do not object to the transfer.

Don Bucks, Department of Revenue, stated we will take no position on this issue as to whether or not you want to establish regulation of public contractors vs. registration. The Department of Revenue will carry out the law as faithfully as possible. We see the purpose of the existing law to be registration and supplying of information. The purpose of the current law is to have registration as to the current qualifications of the contractors which is available for the public to review. In existing law there is absolutely no independent enforcement action authorized by the Department of Revenue. Any enforcement action needs to come by way of a complaint. They believe they are carrying it out as it is listed. It is a registration function, a revenue raising function and enforcement only when a complaint occurs and then only on the grounds of fraud, abandonment of contract, or certain others. It will complicate our work in coordinating but he believes it is their responsibility to coordinate effectively with the Department of Commerce.

Vice Chairman Lee asked the language on page 11 you want to keep it? Mr. Hanson stated his intent is there has to be something in the law that will allow review of the contractors work in compliance with the plans and specifications.

Vice Chairman Lee stated the thing is what are accepted standards of construction quality? The contractors already know that. If an architect requires a certain structure to be built in a certain way and it is substandard construction what you are going to do is penalize that contractor for the mistake of the architect and engineer. It is his understanding on state contracts that you should be able to withhold the money without the inspections being made. If there is substandard work the individual does not need to be paid. Mr. Hanson stated basically what they want is some means for the contractors to meet all specifications. The Mitchell Building is the main reason for this bill. There should be progression of capabilities.

Vice Chairman Lee asked on the Mitchell Building didn't the state set the bond large enough? Mr. Hanson stated as you go through the progression of contracts you have monthly payments you hold back 10-12%. When a contractor goes belly-up and does inferior work the issue becomes with the bonding company. All they are trying to do is put in some language to allow them to do some removal. We have no way right now of keeping an individual from bidding for poor quality of work.

Senator Fuller stated they have another statute that contractors post a bond. From a contractors point he would think the contractor would not

know where to go. Mr. Ingram stated this is a requirement to make sure that the contractor you have on the job has a license and is capable of doing the work he is applying for.

In closing, Senator Boylan stated this area of law is a mess. You have to get 12 signatures for a change order.

The hearing was closed on Senate Bill 398.

CONSIDERATION OF SENATE JOINT RESOLUTION 16: A Joint Resolution of the House of Representatives of the State of Montana urging the Public Service Commission to require certain information, monitor, and oversee long-term debt obligations of public utilities in the State of Montana to ensure that Montanans will not face further financial difficulties related to abandonment of power projects that result in rate increases.

Senator Jean Turnage stated he was the sponsor of this bill. He stated you had another bill in this committee relating to REA debt obligations and that arose out of the concern of the nuclear generating failure in Washington and Oregon. He felt this should be amended to regulated nuclear power generator facilities.

QUESTIONS FROM THE COMMITTEE:

Vice Chairman Lee asked if we leave it the way it is we probably will hear from the REA. Instead of just relating to nuclear facilities could we put a dollar figure on it? Senator Turnage stated yes. He didn't have a figure in mind but maybe the committee could come up with one.

Senator Fuller stated he was sympathetic to this. He feels this bill is a good idea but he does not know where to draw the line.

The hearing was closed on Senate Joint Resolution 16.

ACTION ON SENATE JOINT RESOLUTION 16: Senator Goodover made the motion that the proposed amendment to SJR 16 Be Adopted. Staff Attorney Petesch stated he has them to the bill but not to the Resolution.

Senator Lee stated if we limit these to nuclear facilities we could go ahead. Senator Goodover stated that is where the problem is.

Senator Severson asked what kind of involvement does the Public Service Commission have with the REAs now? Staff Attorney Petesch stated none.

Senator Boylan stated cooperative laws are the strongest in the U.S. and you cannot move them.

Senator Goodover stated in Oregon co-ops could not assess their members. If one court ruled that way maybe another could.

Senator Christiaens asked is there not some way we can address both agencies? Senator Goodover stated the other bill addresses one and this addresses another.

more than a group rate for the benefits. If you tell me I cannot charge for the conversion plan more than 150% from the group rate I can live with that. If you start out tying you will have differences in plans and coverages. The language I am proposing would say "the premium on the individual policy would be at the insurers rate but may not be greater than 150% of the highest group rate for comparable benefits."

Vice Chairman Lee asked Senators Christiaens, Staff Attorney Petesch and Mr. Cain to go in the hall and come up with some type of agreement.*

CONSIDERATION OF SENATE JOINT RESOLUTION 18: A Joint Resolution of the Senate and the House of Representatives of the State of Montana protesting proposed charges by Federal agencies to rural electric and telephone cooperatives for right-of-way use and permits.

Senator Ed Smith stated he was the sponsor of this bill. He stated he never knew that the rural electric cooperatives could be charged for crossing BLM or Forest Service land. They asked him if he would sponsor a Resolution protesting this charge. Rural electrics and cooperatives are by law obligated to provide that service to them. We as private land owners do not charge the rural electrics. Why then should the rural electrics charge? He talked to Mountain Bell and MDU and they stated they are behind the bill 100%. There is no opposition from the other utilities.

ACTION ON SENATE JOINT RESOLUTION 18: Senator Severson made the motion that SJR 18 Do Pass. Senator Fuller seconded the motion.

The Committee voted unanimously, by voice vote, that SENATE JOINT RESOLUTION 18 DO PASS.

ACTION ON SENATE BILL 398: Vice Chairman Lee stated he would like to see something in there so that when this substandard work is done it is not the result of engineering or specifications, it was the architects.

Senator Goodover made the motion that we amend the title and amend out subsection (f). Senator Severson seconded the motion. Staff Attorney Petesch will prepare the amendment.

The Committee voted unanimously, by voice vote, that the proposed amendments to SENATE BILL 398 BE ADOPTED.

Senator Goodover made the motion that Senate Bill 398 As Amended Do Pass. Senator Severson seconded the motion.

The Committee voted unanimously, by voice vote, that SENATE BILL 398 AS AMENDED DO PASS.

ACTION ON SENATE BILL 223: Vice Chairman Lee appointed Senator Fuller Senator Gage and himself to work on a subcommittee to get together with Senator Stimatz on this bill.

February 17

19 83

President

MR

We, your committee on

BUSINESS AND INDUSTRY

having had under consideration

SENATE

Bill No. 398

Respectfully report as follows: That

SENATE

Bill No. 398

be amended as follows:

1. Title, line 10.

Following: line 9

Strike: line 10 in its entirety through "SUSPENSION" on line 11.

2. Page 11, lines 5 and 6.

Strike: subsection (f) in its entirety.

AND AS AMENDED,DO PASS

410

HOUSE STATE ADMINISTRATION COMMITTEE

48th Legislature

Bill No.	Subject Matter	Date In	Sponsor	Hearing Date	Committee Action	Date Out
SB 378	Reducing the # of years a member of the Teachers Retirement System must serve before being eligible for retirement benefits, regardless of age.	2/28/83	Berg	3/7/83	3/10 to sub-com. 3/23 AS AMENDED BE CONCURRED IN	3/23/83
SB 390	Removing the Prison from Dept. of Institutions & attaching it to the Governor's office and administratively to the Dept. of Administration	2/28	Boylan	3/7	BE NOT CONCURRED IN	3/23
SB 398	Transferring the responsibilities of licensing the contractors from Dept. of Rev. to Dept. of Com. & changing license fee & limits	2/28	Boylan	3/7	BE CONCURRED IN AS AMENDED Statement of Intent attached	3/9
SB 421	To submit to the electors an amendment to the MT Constitution to provide that each county shall elect one Senator to the Legislature	2/28	Daniels	3/8	AS AMENDED BE BE CONCURRED IN	3/9
SB 422	Authorizing & providing for issuance, execution, authentication & transfer of public obligations in registered forms & providing an effective date	2/28	Halligan	3/8	BE CONCURRED IN AS AMENDED	3/9
SB 429	Reduces the employer contribution rate to the municipal police officers retirement system & firefighters' retirement system; etc.	2/28	Dick Manning	3/8	3/10 to sub-com. 3/23 AS AMENDED BE CONCURRED IN	3/23

There were some family relatives of this man in the prison and we felt that this would not have been a good situation at the time.

Chairman Brand indicated that in this case a long time employee who started out at the bottom might as well get out of the system. Representative Bardanouve replied, yes, in this particular case it worked against him.

In regards to the Governor's office taking into consideration the Task Force suggestions, Representative Thoft stated that "he really took offense to that because they really did anything but that." "They sand bagged us every way that they could; they wouldn't sit down with us and consider the possibilities of renovating the old prison and getting the hard core criminal out of there so that the other prisoners could have a chance."

CHAIRMAN JOE BRAND asked Mr. Huntington about the penal system being kept under one umbrella as he had stated in his testimony. Mr. Huntington replied that they wanted to preserve th corrections system as a system.

Chairman Brand asked if he was saying that this would not work if the warden is attached directly to the Governor and you can have that same umbrella. Mr. Huntington said that you would have elements of the system under two different directors. the adult system should be maintained under one agency.

THERE BEING NO ADDITIONAL QUESTIONS FROM THE COMMITTEE CHAIRMAN BRAND CLOSED THE HEARING ON SENATE BILL 390.

SENATE BILL 398

SENATOR BOYLAN, sponsor of Senate Bill 398 opened the hearing by explaining the licensing requirements of the state. He had talked to alot of different people that were effected with this part of the law but the main idea is to move the licensing requirements for contractors from the Department of Revenue to the Department of Commerce. This is just a start in cleaning up the problems that have occurred with this. There are other problems with changing of contract orders, bid letting, bidding among the contractors, bonding, etc.

PROPOSERS

SONNY HANSON, Montana Technical Contractors Association for Design Professionals, said that his organization's interest and concern in following this bill and encouraging the passage of it is that we are restricted to who we can allow and award contracts to. As the law is now, a contractor is either an "A", "B" or "C" contractor, but when we open the bids we may know that a contractor is not capable of completing the contract for various reasons; we must still award him the contract. Anyone

can send in his \$100 and become a contractor. The law is very vague on this matter.

BILL OLSON, Secretary/Manager of the Montana Contractors Association, rose in support of this bill. The current law does need some strengthening. Right now the way it is, an individual can put a sign on his pickup, put a ladder in the back of it, go up and put down \$10, pick up a couple forms and become a class "C" contractor. This authorizes him to bid work up to \$25,000. This bill should help within the field of contracting. He reminded the committee that this only applies to public contracts. This does not cover the private contracts that are handled by many small contractors.

OPPONENTS

JOHN HOLLOW, Montana Home Builders Association, spoke in opposition to the bill but not totally. He said he was making some suggestions so therefore he is a proponent/opponent. This bill itself should be passed. It is taking a licensing function and licensing law and putting it into the Department of Commerce where it should be. There have been some areas of the present law that have not been enforced as they should so reading through this bill I had no objections. But in listening to the testimony, I say it makes the little guy nervous. We are asking the Department of Commerce to do what the Department of Revenue never did. We would like to know exactly what this bill will do. I would like to see a Statement of Intent attached to it. This bill does not delegate rulemaking authority, and they are now asked to implement something that has never been implemented before.

We are talking about the licensing field and this was not there before. I think that you should make an amendment that clarifies that if you are applying both for a general contractor's license and for a specific plumbing license that the second license comes at a lower rate. He suggested some language in subsection 2 on line 17, page 5. He said he would give this to Ms. Menzies for her review. This language provided that once you have made the basic application and if you must have a second license, you don't have to pay the full fee.

THERE BEING NO ADDITIONAL OPPONENTS SENATOR BOYLAN MADE A CLOSING STATEMENT.

Senator Boylan indicated that they had talked to many contractors who want to back out of the state building business because they have such a terrible process with change orders, etc. We have such a mess in the laws and would like to get this straightened out.

COMMITTEE QUESTIONS

REPRESENTATIVE JERRY DRISCOLL asked John Hollow to clarify his suggested amendment. Mr. Hollow explained that if you were a class "C" contractor and your second license was a class "B", then you would pay 25 percent of that class "B" requirement for electrical.

Representative Driscoll asked, "If you were a contractor, wouldn't you go out and buy a class "C" general contracting license so you could get your class "B" license cheaper?" You could save a lot of money by doing that. I could see it within a class but not from class to class. Mr. Hollow replied that you have to move up your general license class in order to be able to apply for any mechanical, electrical, plumbing, etc. in that class. But this language could be worked on so that it covered everything that you are saying.

Mr. Hanson said that the assumption was that just to go from a "C" to a "B" you would take a percentage but that is not the case. You will have a "B" license and if you wanted to specialize in say electrical work then you would only pay 25 percent but you would have to have the "B" license first. You would have to have one of those at the full price.

Mr. Hollow explained that you would merely have to add the language, "within the class."

REPRESENTATIVE PAUL PISTORIA asked if the Department of Commerce had been contacted about this and is it alright with them regarding the move. Senator Boylan explained that it was alright with them. They had no opposition and all departments involved are in agreement. They are fully informed on what we are trying to do.

CHAIRMAN BRAND asked why was it in the Department of Revenue to begin with? Senator Boylan replied, it was a matter of collecting fees and I guess that it got there sometime in the past. Representative Bardanouve said maybe it was because it involved revenue. It was done back in 1935.

THERE BEING NO ADDITIONAL QUESTIONS CHAIRMAN BRAND CLOSED THE HEARING ON SENATE BILL 398.

SENATE BILL 378

SENATOR HARRY BERG, sponsor explained that he had a few amendments for this bill. The fiscal note that is attached to the bill applies to the employer contribution. He pointed out that the amount shown at the bottom of the page is the combined contribution (employee and employer). The employer's contribution is 1.588 the first year and 1.667 the second year. He passed out a letter from Mr. Alton P. Hendrickson, ASA, who is an actuary.

VISITOR'S REGISTER

HOUSE STATE ADMINISTRATION

COMMITTEE

BILL SENATE BILL 398

DATE MARCH 7, 1983

SPONSOR SENATOR BOYLAN

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WITNESS STATEMENT

Name William Olson Committee On State Adm.
Address Helena Date 3/7/83
Representing Mt. Contractors Assn. Support X
Bill No. SB 398 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. *Current law needs strengthening. SB 398 will do this.*
2. *License within field of contracting important. Necessary to have contractors perform within their field of expertise.*
- 3.
- 4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

Compton.

REPRESENTATIVE GLENN MUELLER MOVED to accept the amendments on Senate Bill 421 and this was seconded by Representative Chester Solberg. The question being called, the motion carried.

There was some discussion about this bill needing to go on the House floor no matter what the committee decided to do. Ms. Menzies explained the change in the amendments. This is a coordination amendment.

REPRESENTATIVE JERRY DRISCOLL MOVED that the bill AS AMENDED BE NOT CONCURRED IN and this was seconded by Representative John Phillips. There was a roll call vote with 9 "nay" votes and 7 "aye" votes. Those voting "nay" were Representatives Bliss, Brand, Compton, Hand, Holliday, Koehnke, Mueller, Ryan and Solberg. Those voting "aye" were Representatives Driscoll, Hammond, McBride, McCormick, O'Connell, Phillips, Pistoria and Smith. Representatives Sales and Bardanouve were not present to vote.

The MOTION died and it was reverted to a motion AS AMENDED BE CONCURRED IN. Representative John Ryan will carry this bill on the House floor.

SENATE BILL 422

REPRESENTATIVE CLYDE SMITH MOVED to accept the amendments and this was seconded by Representative Joe Hammond. The question being called, the motion carried.

REPRESENTATIVE GLENN MUELLER MOVED Senate Bill 422 AS AMENDED BE CONCURRED IN and this was seconded by Representative Clyde Smith. The question being called, the motion carried.

Senate Bill 422 was reported out of committee this date AS AMENDED BE CONCURRED IN. Representative McBride will carry the bill on the House floor.

SENATE BILL 398

Ms. Menzies explained that there were amendments to this bill and also that it would need a Statement of Intent. This would mean that there would have to be a 2/3 vote on the Statement of Intent.

REPRESENTATIVE GLENN MUELLER MOVED to accept the Statement of Intent and this was seconded by Representative John Ryan. The question being called, the motion carried unanimously.

REPRESENTATIVE CHESTER SOLBERG MOVED to accept the amendments and this was seconded by Representative Clyde Smith. The

question being called, the motion carried.

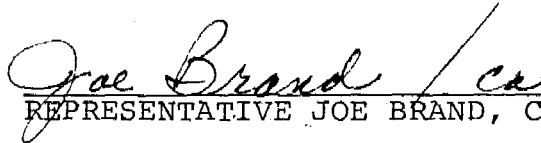
REPRESENTATIVE GLENN MUELLER MOVED that Senate Bill 398 AS AMENDED BE CONCURRED IN and this was seconded by Representative Duane Compton. The question being called, the motion carried.

Senate Bill 389 was reported out of this committee this date AS AMENDED BE CONCURRED IN. Ms. Menzies will talk to Representatives Fabrega or Quilici to see if they will carry the bill. If they do not, then Representative Mueller will carry it.

REPRESENTATIVE GLENN MUELLER MOVED for adjournment and Representative John Phillips seconded. The motion carried by unanimous voice vote.

The meeting adjourned at 11:30 a.m.

Respectfully submitted,


REPRESENTATIVE JOE BRAND, CHAIRMAN

Cleo Anderson, Secretary to Committee

STANDING COMMITTEE REPORT

MARCH 9

19 83

MR. SPEAKERWe, your committee on STATE ADMINISTRATIONhaving had under consideration SENATE Bill No. 398third reading copy (blue color)

"AN ACT TRANSFERRING THE FUNCTION OF LICENSING PUBLIC CONTRACTORS FROM THE DEPARTMENT OF REVENUE TO THE DEPARTMENT OF COMMERCE; CHANGING THE LICENSE FEE FOR EACH CLASS OF LICENSE; CHANGING THE CONTRACT VALUE LIMIT FOR A CLASS B LICENSE REQUIRING A PUBLIC CONTRACTOR TO BE LICENSED IN A FIELD OF CONTRACTING; INCLUDING-FAILURE-TO-PERFORM-QUALITY-WORK-AS-GROUNDS-FOR-LICENSE SUSPENSION, AMENDING SECTIONS 15-50-101 THROUGH 15-50-105, 15-50-204 THROUGH 15-50-206, 15-50-211 THROUGH 15-50-213, AND 15-50-302, MCA."

Respectfully report as follows: That SENATE Bill No. 398

Be amended as follows:

1. Title, line 8.

Following: ~~"licenses"~~

Insert: ";

2. Page 4, line 10.

Following: "licenses"

Insert: "--fees"

3. Page 5.

Following: line 16

Insert: "(3) If a holder of a license for any class within a field of contracting applies for another license for the same class but within a different field of contracting, he shall pay a fee equal to 25% of the fee for the appropriate class of license as provided in subsection (2) to be licensed in the additional field. If an applicant for a license for any class within a field of contracting at the same time applies for a license for the same class but within a different field

REP. JOE BRAND,

Chairman.

STATE PUB. CO.
Helena, Mont.

COMMITTEE SECRETARY

SENATE BILL 398
AMENDMENTS
STATE ADMINISTRATION COMMITTEE

MARCH 9

19 83

of contracting, he shall pay the fee for the appropriate class of license as provided in subsection (2) to be licensed in one of the fields of contracting plus 25% of the fee for the same class to be licensed in the other field."

AND AS AMENDED BE CONCURRED IN
STATEMENT OF INTENT ATTACHED

MARCH 9

83

19.....

MR. SPEAKER:

WE, YOUR COMMITTEE ON STATE ADMINISTRATION, HAVING HAD
UNDER CONSIDERATION SENATE BILL 398, THIRD READING COPY (BLUE),
ATTACH THE FOLLOWING STATEMENT OF INTENT:

"STATEMENT OF INTENT
SENATE BILL 398

SB 398 transfers contractor licensing and rulemaking authority from the Department of Revenue to the Department of Commerce. It delegates new rulemaking authority in the form of defining fields of contracting.

It is the intention of the legislature that the Department of Commerce broadly defines fields of contracting so as to minimize the need for additional licenses within the same class while at the same time ensuring similarity of expertise within fields of contracting.

It is the intention of the legislature that the Department of Commerce gather information as required by this chapter and use that information for the following purposes:

- (1) to ensure that an applicant for license is minimally qualified in his field of contracting; and
- (2) to ensure that the Department of Commerce has information necessary to assist the Department of Administration in prequalifying bidders on state projects on the basis of financial ratings as well as previous performance reviews."